

CONSOLIDATED FINANCIAL STATEMENTS

For

MOHAWK COUNCIL OF AKWESASNE

For year ended

MARCH 31, 2019

MOHAWK COUNCIL OF AKWESASNE
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MARCH 31, 2019

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MOHAWK COUNCIL OF AKWESASNE

Tetewaie:na - Honoring the past, facing today's challenges, building a strong future.



Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the **Mohawk Council of Akwesasne** are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Welch LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Mohawk Council of Akwesasne and meet when required.

On behalf of the Mohawk Council of Akwesasne:

Heather Phillips
Executive Director
Mohawk Council of Akwesasne

Abram Benedict
Grand Chief
Mohawk Council of Akwesasne

Dated: September 23, 2019

INDEPENDENT AUDITOR'S REPORT

To:

MOHAWK COUNCIL OF AKWESASNE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the **Mohawk Council of Akwesasne**, which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the **Mohawk Council of Akwesasne** as at March 31, 2019 and the results of its consolidated operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. *We also:*

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud and error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Schedules 1 to 8 accompanying the consolidated financial statements are presented as supplementary information only and are unaudited.

**Cornwall, Ontario
September 23, 2019.**

Welch LLP

**Chartered Professional Accountants
Licensed Public Accountants**

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Financial Assets		
Cash	\$ 14,240,170	\$ 10,486,684
Due from government and other government organizations (note 3)	9,719,008	10,750,377
Accounts receivable (note 4)	4,746,484	1,508,323
Temporary investments (note 9)	49,188,743	42,777,325
Restricted assets		
Ontario Power Generation Settlement receivable (note 20)	-	2,482,182
Housing and housing construction loans (note 5)	6,432,171	5,533,138
Investment in government business entities (note 25)	<u>490,662</u>	<u>395,381</u>
Total Financial Assets	<u>84,817,238</u>	<u>73,933,410</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 10)	8,028,781	9,316,785
Employee benefit obligations (note 11)	964,305	1,104,874
Due to government and other government organizations (note 12)	1,744,974	2,143,803
Deferred revenue (note 14)	22,152,349	11,118,235
Long-term loans (note 15)	5,946,882	6,466,701
Promissory note / Land Claim Settlement (note 13)	<u>2,927,650</u>	<u>2,927,650</u>
Total Financial Liabilities	<u>41,764,941</u>	<u>33,078,048</u>
Net Financial Assets	<u>43,052,297</u>	<u>40,855,362</u>
Non-Financial Assets		
Tangible capital assets (note 6)	109,497,508	107,516,071
Tangible capital assets under construction (note 7)	2,962,303	807,570
Other assets held for sale (note 8)	135,395	135,395
Deferred charges	4,124,947	3,316,553
Prepaid expenses	<u>468,185</u>	<u>178,669</u>
Total non-financial assets	<u>117,188,338</u>	<u>111,954,258</u>
Accumulated surplus (note 19, schedule 8)	<u>\$160,240,635</u>	<u>\$152,809,620</u>
Contingencies and commitments (note 18)		

Approved by the Council



Heather Phillips, Executive Director
Mohawk Council of Akwesasne



Abram Benedict, Grand Chief
Mohawk Council of Akwesasne

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
Revenues			
Government transfers	\$ 83,626,382	\$ 90,670,635	\$ 85,057,346
Ontario Lottery and Gaming Corporation	4,751,499	5,707,289	4,505,546
Administration fees and user charges	950,300	1,060,197	1,126,765
Land leases	548,622	595,985	598,809
Interest	1,107,691	1,203,318	910,596
Other income	2,934,448	3,187,776	3,057,385
Rental	<u>1,111,037</u>	<u>808,638</u>	<u>725,919</u>
	<u>95,029,979</u>	<u>103,233,838</u>	<u>95,982,366</u>
Operating expenses (note 23)			
Akwesasne Mohawk Board of Education	19,027,081	20,699,003	17,786,876
Akwesasne Mohawk Police Service	6,956,733	6,770,125	6,445,605
Community and social services	14,959,783	13,478,030	13,734,649
Economic development	3,325,856	1,993,252	1,530,349
Executive services - core services	7,207,382	3,637,854	3,319,337
Executive services - non core services	645,593	1,229,905	1,380,785
Integrated resource management	1,190,636	1,142,179	1,106,422
Health	28,744,412	29,575,483	27,668,979
Housing	1,472,099	515,656	1,953,180
Justice	1,455,643	1,670,791	1,669,810
Mohawk government	2,940,488	4,856,422	4,112,227
Technical services	<u>8,176,280</u>	<u>7,769,404</u>	<u>7,135,024</u>
	<u>96,101,986</u>	<u>93,338,104</u>	<u>87,843,243</u>
Annual surplus before other items noted below	(1,072,007)	9,895,734	8,139,123
Transfer to Mohawks of Akwesasne Community Settlement Trust (note 22)	-	(2,560,000)	(2,560,000)
Earnings from government business entities	<u>-</u>	<u>95,281</u>	<u>92,381</u>
Annual surplus (deficit)	(1,072,007)	7,431,015	5,671,504
Accumulated surplus at beginning of year	<u>152,809,620</u>	<u>152,809,620</u>	<u>147,138,116</u>
Accumulated surplus at end of year	<u>\$151,737,613</u>	<u>\$160,240,635</u>	<u>\$152,809,620</u>

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
Annual surplus (deficit)	\$ <u>(1,072,007)</u>	\$ <u>7,431,015</u>	\$ <u>5,671,504</u>
Acquisition of tangible capital assets	(5,900,000)	(5,985,607)	(4,088,183)
Acquisition of tangible capital assets under construction	(1,900,000)	(1,959,764)	(194,237)
(Gain) loss on disposal of tangible capital assets	-	59,188	(2,689)
Amortization of tangible capital assets	<u>3,800,000</u>	<u>3,750,013</u>	<u>3,600,973</u>
	<u>(4,000,000)</u>	<u>(4,136,170)</u>	<u>(684,136)</u>
Acquisition of prepaid expenses	(124,214)	(468,185)	(178,669)
Acquisition of deferred charges	800,000	(808,394)	(272,296)
Use of prepaid expenses	179,000	178,669	454,507
Proceeds on disposition of other assets held for sale	-	-	(60,200)
	<u>854,786</u>	<u>(1,097,910)</u>	<u>(56,658)</u>
Increase in net financial assets	(4,217,221)	2,196,935	4,930,710
Net financial assets at beginning of year	<u>40,855,362</u>	<u>40,855,362</u>	<u>35,924,652</u>
Net financial assets at end of year	<u>\$ 36,638,141</u>	<u>\$ 43,052,297</u>	<u>\$ 40,855,362</u>

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Cash provided by (used for):		
Operating activities		
Annual surplus before transfer to Trust	\$ 9,895,734	\$ 8,139,123
Items not affecting cash:		
Amortization	3,750,013	3,600,973
Unrealized gains on investments	-	14,936
(Gain) loss on disposal of tangible capital assets	59,190	(2,689)
Net change in non-cash working capital items:		
Due from government and other government organizations	1,031,369	(3,995,155)
Accounts receivable	(3,238,161)	(476,107)
Prepaid expenses	(289,516)	275,838
Ontario Power Generation Settlement receivable	2,482,182	2,326,522
Accounts payable and accrued liabilities	(1,288,004)	2,690,272
Employee benefit obligations	(140,569)	(119,622)
Due to government and other government organizations	(398,829)	(43,600)
Deferred revenue	<u>11,034,114</u>	<u>4,820,236</u>
Cash applied to operating transactions	<u>22,897,523</u>	<u>17,230,727</u>
Capital activities		
Proceeds on disposal of other assets held for sale	-	60,200
Purchase of other assets held for sale	-	(135,395)
Purchase of tangible capital assets and under construction	<u>(7,945,371)</u>	<u>(4,282,420)</u>
Cash applied to capital transactions	<u>(7,945,371)</u>	<u>(4,357,615)</u>
Investing activities		
Advances for housing and housing construction loans	(1,729,937)	(678,417)
Housing loans repaid	830,904	860,003
Deferred charges	(808,394)	(272,297)
Redemption of investments	33,473,884	26,175,639
Purchases of investments	(39,885,302)	(33,280,429)
Redemption of funds help in trust	-	84,544
Cash applied to investing activities	<u>(8,118,845)</u>	<u>(7,110,957)</u>
Financing activities		
Proceeds from long-term loans	-	295,148
Repayments of long-term loans	(519,821)	(432,285)
Proceeds from Promissory Note	-	100,150
Transfer to Community Trust	<u>(2,560,000)</u>	<u>(2,560,000)</u>
Cash applied to financing activities	<u>(3,079,821)</u>	<u>(2,596,987)</u>
Increase in cash	3,753,486	3,165,168
Cash at beginning of year	<u>10,486,684</u>	<u>7,321,516</u>
Cash at end of year	<u>\$ 14,240,170</u>	<u>\$ 10,486,684</u>
Supplementary cash flow information		
Interest received in year	\$ 1,125,500	\$ 677,118
Interest paid in year	\$ 112,320	\$ 112,342

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

NATURE OF OPERATIONS

The Mohawk Council of Akwesasne (Council) is the body which administers various programs to the Akwesasne community. Activities are funded by Indigenous Services Canada (ISC) (formerly known as Indigenous and Northern Affairs Canada) (INAC) under a multi-year agreement which expired March 31, 2019 and other agreements with federal and provincial government bodies. Beginning April 1, 2019, MCA signed a 10 Year Grant with ISC called a New Funding Relationship, which will expire March 31, 2029. The operations of the Council are dependent upon continued funding under these agreements. The Council is responsible for ensuring compliance with agreements.

The Council is not subject to income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The Council prepares its consolidated financial statements in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA). These consolidated financial statements include the following significant accounting policies:

a) *Reporting entity*

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

The organization has consolidated the assets, liabilities, revenues and expenses of the following entity:

- Akweks:kowa Corp.

Under the modified equity method of accounting, only the Mohawk Council of Akwesasne's investment in a government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for the accounting policies of the organization that are different from those of MCA.

The organizations accounted for on a modified equity basis includes:

- Akwesasne Harbour Development Corporation
- Cornwall - Akwesasne Harbour Partnership

b) *Basis of accounting*

These consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon cost of goods and services acquired.

c) *Asset classification*

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services and may be consumed in normal operations. Non-financial assets consist of tangible capital assets, tangible capital assets under construction, other assets held for resale, deferred charges and prepaid expenses.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) *Deferred charges*

Costs related to the Dundee land claim negotiations which are expected to finalize by end of March 2020 are recorded as deferred charges until such time as settlement of the land claim has been confirmed by Canada and ratified by the Community. Accumulated deferred charges will then be recorded in operations and matched against settlement receipts.

e) *Tangible capital assets*

Purchased tangible capital assets are recorded at cost less accumulated amortization. The costs of constructing tangible capital assets, including direct overhead and carrying costs, are recorded as tangible capital assets under construction until the assets are substantially complete, at which time they are transferred from tangible capital assets under construction to tangible capital assets and amortization is commenced. Government funding related to tangible capital assets is recorded using the percentage of completion method.

Amortization is recorded using the declining balance method at the following annual rates:

Buildings and major infrastructures	2.5%
Computer hardware	20%
Computer software	50%
Equipment	20%
Equipment under capital lease	20%
Furniture and fixtures	10%
Roads	10%
Vehicles	25%

Amortization is charged at 50% of the amount in the year of acquisition but no amortization is charged in the year of disposal.

f) *Net financial assets*

The Mohawk Council of Akwesasne's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Mohawk Council of Akwesasne is determined by its financial assets less its financial liabilities. Net assets are comprised of two components, net financial assets and non-financial assets.

The Council restricts funds to recognize the investment in tangible capital assets, tangible capital assets under construction and housing and housing construction loans to meet reserve requirements of certain funding arrangements and to reflect internal restrictions placed on the use of certain funds by Council.

g) *Revenue recognition*

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Unrestricted contributions and Ontario Lottery and Gaming Corporation ("OLG") revenue are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) *Revenue recognition (continued)*

Where the terms of the agreement require unexpended contributions to be returned to the funder, the unexpended amount is recorded as a contribution repayable and not included in the determination of annual surplus for the year.

Administration fees and user charges and rental revenues represent internal charges to programs which are included in both revenues and expenses. Land lease income are fees collected from rental of land on Council territory and is recognized when it becomes receivable. Interest income represents interest earned on cash and temporary investments. Other income represents actual income earned from various Council operations and is recorded when the services are provided.

h) *Funds held in trust*

The Council receives revenue from the lease of certain Council owned lands and from interest on funds held by ISC on behalf of Council. This interest and lease revenue is paid directly into trust funds administered by ISC on Council's behalf. It is recorded as revenue of Council in the year in which it is paid into the ISC trust accounts irrespective of whether or not Council has permitted the withdrawal of the funds from the trusts.

i) *Pension plan*

The Council operates a defined contribution pension plan which offers Council employees a pension benefit upon retirement or termination based on the accumulated contributions made by the individual employee and on the employee's behalf by Council plus any investment earnings on these contributions. The Council's contributions to the plan are based on participants' earnings up to a maximum of 9.00% and are expensed as incurred. Pension expense recorded in the accounts for the 2019 fiscal year amounted to \$2,717,952 (2018 - \$2,690,974).

The Council is not making any past service contributions to the plan.

j) *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Significant estimates include allowance for doubtful accounts receivable, certain accrued funding receivables, certain accrued liabilities and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

k) *Temporary investments*

Temporary investments are short-term investments made to obtain a return on a temporary basis and are carried at market value.

l) *Employee benefit obligations*

Employee benefit obligations is the accumulation of vacation pay accrued to all employees of the Mohawk Council of Akwesasne at their current salary as of March 31, 2019.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) *Foreign currency translation*

The financial statements of the Mohawk Council of Akwesasne are translated using temporal method whereby monetary assets and liabilities are translated at year end rates, non-monetary items at historical rates and revenues and expenses at the average rate for the year. Gains and losses from exchange translation are included in the statement of operations.

2. FINANCIAL INSTRUMENTS

Financial instruments recognized in the statement of financial position consist of cash, due from government and other government organizations, accounts receivable, temporary investments, Ontario Power Generation Settlement receivable, housing and housing construction loans, funds held by ISC, accounts payable and accrued liabilities, due to government and other government organizations, long-term debt and promissory note. The book value of these financial instruments approximate their fair value due to the short-term nature of the current items and the market rates of interest on the long-term items with the exception of housing and housing construction loans, the promissory notes and the Ontario Power Generation Settlement receivable. Ontario Power Generation Settlement receivable is recorded at amortized cost which approximates fair value. Housing and housing construction loans are repayable over 10 to 20 years and are non-interest bearing. Certain mortgages are subsidized by Canada Mortgage and Housing Corporation such that the effective annual rate of interest paid by Council is 2%. The promissory note from ISC is payable in full upon settlement of the related land claim and is interest free until maturity or unless Council is in default. Management considers it not practicable within the constraints of timeliness and cost to determine the fair value of the housing and housing construction loans and promissory notes with sufficient reliability.

Financial instruments which potentially subject the Council to concentrations of credit risk consist of cash, due from government and other government organizations, accounts receivable, temporary investments, Ontario Power Generation Settlement receivable, housing and housing construction loans and funds held by ISC. Cash and temporary investments are held at reputable financial institutions and contributions, accounts receivable and Ontario Power Generation settlement receivable are principally due from federal and provincial governments or bodies, therefore the Council believes the risk of non-performance to be remote. Housing and housing construction loans are due from community members and Council believes that an adequate provision has been made for the possibility of these loans proving uncollectible.

3. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2019</u>	<u>2018</u>
Indigenous Services Canada	\$ 3,299,783	\$ 3,607,458
Human Resources Development Canada	183,559	165,445
Health Canada	419,665	161,632
Province of Ontario	856,820	3,110,192
Province of Quebec	537,511	837,244
Other Federal contributions	<u>4,421,670</u>	<u>2,868,406</u>
	<u><u>\$ 9,719,008</u></u>	<u><u>\$ 10,750,377</u></u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following

	<u>2019</u>	<u>2018</u>
Future settlement trust receivable	\$ 3,545	\$ 3,545
Interest receivable from temporary investments	498,328	293,378
Miscellaneous receivables	756,632	804,760
Ontario Lottery Gaming / Rama receivable	3,132,965	-
Other Grants and Contributions	423,098	444,107
Rental facilities receivables	<u>282,084</u>	<u>296,526</u>
	5,096,652	1,842,316
Less: allowance for doubtful accounts	<u>350,168</u>	<u>333,993</u>
	<u><u>\$ 4,746,484</u></u>	<u><u>\$ 1,508,323</u></u>

5. HOUSING AND HOUSING CONSTRUCTION LOANS

Housing and housing construction loans are advanced to residents to finance the purchase of homes constructed by Council. These loans are repayable over 10 to 20 years and are non-interest bearing.

	<u>2019</u>	<u>2018</u>
Principal outstanding	\$ 9,779,218	\$ 10,349,149
Less: allowance for doubtful loans	<u>3,347,047</u>	<u>4,816,011</u>
	<u><u>\$ 6,432,171</u></u>	<u><u>\$ 5,533,138</u></u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

6. TANGIBLE CAPITAL ASSETS

	<u>Land</u>	<u>Building & Major Infrastructure</u>	<u>Computer Hardware</u>	<u>Computer Software</u>	<u>Equipment</u>	<u>Equipment under a Capital Lease</u>	<u>Furniture and Fixtures</u>	<u>Roads</u>	<u>Vehicles</u>	<u>Total 2019</u>	<u>Total 2018</u>
Cost											
Opening Costs	\$ 744,752	\$ 151,246,072	\$ 3,508,875	\$ 604,444	\$ 7,148,439	\$ 504,822	\$ 2,021,354	\$ 6,420,876	\$ 8,925,640	\$ 181,125,274	\$ 178,278,837
Additions	1,648	4,530,336	65,037	-	282,937	-	-	9,450	1,096,199	5,985,607	3,504,101
Transfers from WIP	-	-	-	-	-	-	-	-	-	-	698,844
Disposals	-	(325,444)	-	-	-	-	-	-	(164,609)	(490,053)	(268,119)
Write-downs	-	-	-	-	-	-	-	-	-	-	1,088,389
Closing Costs	<u>746,400</u>	<u>155,450,964</u>	<u>3,573,912</u>	<u>604,444</u>	<u>7,431,376</u>	<u>504,822</u>	<u>2,021,354</u>	<u>6,430,326</u>	<u>9,857,230</u>	<u>186,620,828</u>	<u>181,125,274</u>
Accumulated Amortization											
Opening	-	50,602,725	3,262,204	601,982	5,913,955	481,844	1,522,965	4,314,729	6,908,799	73,609,203	71,352,923
Disposals	-	(91,551)	-	-	-	-	-	-	(144,346)	(235,897)	(1,344,693)
Amortization Expense	-	2,515,876	55,839	1,236	275,190	4,595	49,839	210,672	636,767	3,750,014	3,600,973
Closing Accumulated	<u>-</u>	<u>53,027,050</u>	<u>3,318,043</u>	<u>603,218</u>	<u>6,189,145</u>	<u>486,439</u>	<u>1,572,804</u>	<u>4,525,401</u>	<u>7,401,220</u>	<u>77,123,320</u>	<u>73,609,203</u>
Net Book Value	<u>\$ 746,400</u>	<u>\$ 102,423,914</u>	<u>\$ 255,869</u>	<u>\$ 1,226</u>	<u>\$ 1,242,231</u>	<u>\$ 18,383</u>	<u>\$ 448,550</u>	<u>\$ 1,904,925</u>	<u>\$ 2,456,010</u>	<u>\$ 109,497,508</u>	<u>\$ 107,516,071</u>
Opening Balance	\$ 744,752	\$ 100,643,347	\$ 246,671	\$ 2,462	\$ 1,234,484	\$ 22,978	\$ 498,389	\$ 2,106,147	\$ 2,016,841	\$ 107,516,071	\$ 106,925,914
Closing Balance	<u>746,400</u>	<u>102,423,914</u>	<u>255,869</u>	<u>1,226</u>	<u>1,242,231</u>	<u>18,383</u>	<u>448,550</u>	<u>1,904,925</u>	<u>2,456,010</u>	<u>109,497,508</u>	<u>107,516,071</u>
Increase (Decrease) in Net Book Value	<u>\$ 1,648</u>	<u>\$ 1,780,567</u>	<u>\$ 9,198</u>	<u>\$ (1,236)</u>	<u>\$ 7,747</u>	<u>\$ (4,595)</u>	<u>\$ (49,839)</u>	<u>\$ (201,222)</u>	<u>\$ 439,169</u>	<u>\$ 1,981,437</u>	<u>\$ 590,157</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

7. TANGIBLE CAPITAL ASSETS UNDER CONSTRUCTION

	Total Remaining Commitment (unaudited)	<u>2019</u>	<u>2018</u>
ACFS Home 90 Whoville Drive	\$ 450,000	\$ 296,571	\$ 180,184
River Road Reconstruction	1,800,000	1,434,421	5,500
Birch Road Water Main	210,000	4,300	-
Angus Mitchell Memorial Building Redesign	N/A	29,837	29,837
Family Wellness Centre	810,000	403,972	-
AMPS Boat House	450,000	199,743	-
Street Light Upgrading	40,000	4,774	4,774
Hamilton Island Bridge Design	N/A	13,790	13,790
Snye Administrative Facility Design & Sitework	N/A	<u>574,895</u>	<u>573,485</u>
		<u><u>\$ 2,962,303</u></u>	<u><u>\$ 807,570</u></u>

8. OTHER ASSETS HELD FOR SALE

Assets are classified as held for sale when certain criteria are met including Council's commitment to a plan, and availability of the asset for immediate sale in its present condition.

In fiscal year 2018 Council acquired a property from the BMO housing program. A property is acquired when a mortgage holder forfeits on the mortgage requirements.

	<u>2019</u>	<u>2018</u>
BMO Housing program	<u><u>\$ 135,395</u></u>	<u><u>\$ 135,395</u></u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

9. TEMPORARY INVESTMENTS

<u>Holder</u>	<u>Type</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Bank of Montreal	GIC	November 2019	1.65%	\$ 704,496
Bank of Montreal	GIC	April 2019	2.10%	2,000,000
Bank of Montreal	GIC	June 2019	2.10%	2,000,000
Bank of Montreal	GIC	January 2020	2.62%	2,000,000
Bank of Montreal	GIC	April 2019	2.10%	2,000,000
Bank of Montreal	GIC	April 2019	2.10%	2,000,000
Bank of Montreal	GIC	April 2019	2.10%	2,000,000
Bank of Montreal	GIC	April 2019	2.10%	2,000,000
Bank of Montreal	GIC	June 2020	1.40%	1,541,187
Bank of Montreal	GIC	April 2019	2.10%	2,000,000
BMO Trust Corp.	GIC	January 2020	2.62%	2,000,000
Bank of Montreal	GIC	January 2020	2.63%	2,000,000
Bank of Montreal	GIC	January 2020	2.63%	2,000,000
Concentra Bank	GIC	June 2020	1.95%	100,000
Equitable Bank	GIC	June 2020	1.96%	100,000
Home Trust	GIC	June 2020	2.75%	100,000
Home Equity	GIC	June 2020	1.80%	100,000
Laurentian Bank	GIC	June 2020	1.92%	100,000
Peoples Trust	GIC	June 2020	1.95%	100,000
Montreal Trust Co.	GIC	June 2019	2.00%	920,000
Montreal Trust Co.	GIC	June 2019	2.18%	1,193,000
Bank of Montreal	GIC	June 2020	1.65%	1,059,000
Bank of Montreal	GIC	November 2022	3.21%	730,888
Bank of Montreal	GIC	November 2019	2.72%	730,888
Bank of Montreal	GIC	November 2021	3.06%	730,888
Bank of Montreal	GIC	November 2020	3.01%	730,888
Bank of Montreal	GIC	November 2023	3.36%	730,888
Bank of Montreal	GIC	November 2022	3.21%	868,850
Bank of Montreal	GIC	November 2019	2.72%	868,850
Bank of Montreal	GIC	November 2021	3.06%	868,850
Bank of Montreal	GIC	November 2020	3.01%	868,850
Bank of Montreal	GIC	November 2023	3.36%	868,850
Private Cdn - Equity Fund	Shares			710,430
Private Cdn - Large Cap Equity	Shares			710,565
Private Cdn - Strategy Fund	Shares			630,848
Private Corp. Bond Fund	Shares			2,527,557
Private Gov't Bond Fund	Shares			1,675,375
Private Inter. Equity Fund	Shares			964,199
Private US Equity Fund	Shares			979,724
Community Funds				
Fund 650-02094-13	Shares			1,652,194
Cash balances in accounts				3,321,478
				<u>\$ 49,188,743</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Trade payables	\$ 4,268,116	\$ 4,454,038
Accrued salaries and employee benefits payable	28,218	259,544
Other accrued liabilities	<u>3,732,447</u>	<u>4,603,203</u>
Total accounts payable	<u><u>\$ 8,028,781</u></u>	<u><u>\$ 9,316,785</u></u>

11. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2019</u>	<u>2018</u>
Vacation pay obligation	<u><u>\$ 964,305</u></u>	<u><u>\$ 1,104,874</u></u>

12. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2019</u>	<u>2018</u>
ISC repayables	\$ 467,455	\$ 467,455
Ontario repayables	1,090,918	1,489,747
Health Canada repayables	57,119	57,119
Other federal repayables	122,814	122,814
Quebec repayables	<u>6,668</u>	<u>6,668</u>
	<u><u>\$ 1,744,974</u></u>	<u><u>\$ 2,143,803</u></u>

13. PROMISSORY NOTE / LAND CLAIM SETTLEMENT

The Council has entered into a loan funding agreement with Indigenous Services Canada for legal and administrative costs in pursuing settlement of a land claim. The promissory note becomes immediately payable upon settlement of the land claim.

	<u>2019</u>	<u>2018</u>
Due on settlement of land claim	<u><u>\$ 2,927,650</u></u>	<u><u>\$ 2,927,650</u></u>

The promissory note is interest free until maturity or unless Council is in default under the agreement. As of March 31, 2019 ISC has approved a promissory note advance of \$2,927,650 (2018 - \$2,927,650) of which Council has expended \$3,291,552 (2018 - \$3,291,552) for purposes of the intended use.

During the fiscal year, the Dundee Land Claim was conditionally settled with the MCA. One of the terms of the settlement related to the Community ratifying the settlement through a referendum. The referendum results ratified the agreement, however five Akwesasne Court appeals were subsequently initiated challenging the results. To date, three of those challenges have been dismissed. The settlement amount of \$249 Million will only be recognized if or when, the balance of the court challenges are dismissed and collection is assured.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

14. DEFERRED REVENUE

	<u>2019</u>	<u>2018</u>
Indigenous Service Canada	\$ 11,019,180	\$ 7,852,623
Health Canada	7,782,812	1,795,766
Province of Ontario	405,432	619,715
Other Federal Government Departments	-	552,904
Other	<u>2,944,925</u>	<u>297,227</u>
	<u>\$ 22,152,349</u>	<u>\$ 11,118,235</u>

15. LONG-TERM LOANS

	<u>2019</u>	<u>2018</u>
1.30% mortgage, due December 2020, payable in equal monthly installments of \$3,677 including principal and interest (CMHC Section 95 Project 97/98 - Net Book Value \$399,888).	245,523	311,845
1.39% mortgage, due June 2020, payable in equal monthly installments of \$4,404 including principal and interest (CMHC Section 95 Project 03/04 - Net Book Value \$800,754).	541,872	586,867
1.52% mortgage, due December 2022, payable in equal monthly installments of \$5,245 including principal and interest (CMHC Section 95 Project 02/03 - Net Book Value \$744,889).	504,603	557,055
1.43% mortgage, due April 2022, payable in equal monthly installments of \$3,591 including principal and interest (CMHC Section 95 Project 04/05 - Net Book Value \$1,004,192).	511,050	546,574
2.52% mortgage, due September 2023, payable in equal monthly installments of \$5,799 including principal and interest. 17 Units (CMHC Section 95 Project 05/06 - Net Book Value \$1,481,542).	738,573	889,320
1.97% mortgage, due December 2022, payable in equal monthly installments of \$4,573 including principal and interest. 9 Units (CMHC Section 95 Project 05/06 - Net Book Value \$947,696).	654,060	695,659
1.98% mortgage, due May 2019, payable in equal monthly installments of \$6,443 including principal and interest. 19 Units (CMHC Section 95 Project 06/07 - Net Book Value \$2,245,602).	1,013,506	1,070,230
1.14% mortgage, due June 2021, payable in equal monthly installments of \$1,937 including principal and interest. 4 Units (CMHC Section 95 Project Oak Court - Net Book Value \$441,471).	363,878	382,842
2.05% mortgage, due November 2022, payable in equal monthly installments of \$2,263 including principal and interest. 4 Units (CMHC Section 95 Project Hawthorne - Net Book Value \$572,445).	420,543	438,860
1.35% mortgage, due June 2022, payable in equal monthly installments of \$1,980 including principal and interest. 4 Units (CMHC Section 95 Project Whoville Quad 1- Net Book Value \$629,248).	473,101	489,791
1.35% mortgage, due June 2022, payable in equal monthly installments of \$1,834 including principal and interest. 4 Units (CMHC Section 95 Project Whoville Quad 2- Net Book Value \$623,173).	<u>480,173</u>	<u>497,658</u>
	<u>\$ 5,946,882</u>	<u>\$ 6,466,701</u>

Interest expense for the year on long-term debt is \$112,320 (2018 - \$110,920)

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

15. LONG-TERM LOANS (continued)

The aggregate amount of principal payments required in each of the next five years and beyond, assuming renewal at similar rates and terms, to meet loan retirement provision is as follows:

2020	\$ 402,230
2021	409,418
2022	416,447
2023	423,707
2023	431,099
2024 and beyond	3,863,981

Management has a practice of refinancing long-term loans in advance of maturity.

The mortgage loans are guaranteed by ISC in lieu of a normal mortgage lien on properties. Canada Mortgage and Housing Corporation CMHC offers a housing development subsidy program such that approximately 50% of the operating expenses, including interest is subsidized. Interest expense on long-term loans, net of subsidies, totaled \$59,145 (2018 - \$50,174).

16. ASSETS HELD IN TRUST FOR OTHERS

The Council acts as trustee for a number of third parties, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of the Council. Amounts held in trust at the year-end are:

	<u>2019</u>	<u>2018</u>
Akwesasne Community Settlement Fund	\$ <u>61,554</u>	\$ <u>61,129</u>

17. INTERNAL CHARGES

Added to tangible capital assets and deferred charges during the year are certain administrative and salary amounts totaling \$187,957 (2018 - \$168,377).

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

18. CONTINGENCIES AND COMMITMENTS

The Council has a loan facility of up to \$7,000,000 with the Bank of Montreal which may be drawn on by qualified borrowers for the purchase, renovation or construction of owner-occupied homes.

Under the terms of this facility, the borrowers are responsible for the repayment of the loans and Council provides a guarantee for the amounts outstanding under the facility. As at March 31, 2019 the Council had guarantees outstanding under this program of \$5,318,050 (2018 - \$5,141,834). These amounts have not been recognized in these financial statements.

The nature of the Mohawk Council of Akwesasne's various activities is such that there is usually litigation pending or in prospect at any time. With respect to claims at March 31, 2019, management believes the Mohawk Council of Akwesasne has valid defences and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Mohawk Council of Akwesasne's financial position.

The Council is committed under various operating lease agreements for office equipment to pay approximately \$22,146 (2018 - \$22,146) annually over the next 3 years.

19. ACCUMULATED SURPLUS

The Council restricts funds to recognize the investment in property, plant and equipment and housing and housing construction loans, to meet reserve requirements of certain funding arrangements and to reflect internal restrictions placed on the use of certain funds by Council (see Schedule 8).

20. ONTARIO POWER GENERATION SETTLEMENT

On October 2, 2008 the Mohawk Council of Akwesasne and the Ontario Power Generation Inc. (OPG) signed a Past Grievance Final Settlement Agreement (Agreement) in respect of any impact, loss or damage to the Reserve Lands and other lands of Traditional Territory and any infringement or impact on the aboriginal title, rights and treaty rights of the Mohawks of Akwesasne, whether proven or asserted.

Upon execution of the Agreement in November 2008, OPG paid \$20,363,520 to Council and agreed to pay beginning in October 2009, ten annual payments of \$2,560,000 on the respective anniversary of the Execution Date of the Agreement. On October 2, 2018, the tenth and final payment of \$2,560,000 was received.

The final settlement agreement was recorded as revenue in 2009 with the remaining future payments being recorded as a receivable using a discount rate of 5.5% based on comparable industry indices. As at March 31, 2019 the net present value of the future payments is recorded as a receivable of \$Nil (2018 - \$2,560,000). Accreted interest of \$77,818 (2018: \$233,478) was recorded in 2019 and is included in the statement of financial activities within interest income.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

21. ECONOMIC DEPENDENCE

The Council receives a major portion of its revenue from Indigenous Services Canada (ISC) formerly Indigenous and Northern Affairs Canada (INAC) and Health Canada. The nature and extent of this revenue is of such significance that the Council is economically dependent on this source of revenue.

22. MOHAWKS OF AKWESASNE COMMUNITY SETTLEMENT TRUST

During a previous year, the Council created the Mohawks of Akwesasne Community Settlement Trust. The purpose of the Trust was to receive the settlement funds of the OPG and Kawenoke-Easterbrook Settlement Claims and invest those funds on behalf of the community. Those re-invested funds are to be used for community based projects within certain parameters established by the Trust.

The Trust was established on June 17, 2014 and is administered by an independent Board of Trustees. The Mohawk Council of Akwesasne, or its successor body or entity, acting on behalf of the Mohawks of Akwesasne, is the named beneficiary of the Trust.

The Council transferred the final payment of \$2,560,000 to the Trust during the fiscal year representing the OPG funds received during the fiscal year. Those funds, as well as any accreted interest, are intended to be transferred to the Trust as they are received by Council, however, MCA has no obligation to do so and has not accrued such obligation in these financial statements (see note 20).

23. OPERATING EXPENSES

	<u>2019</u>	<u>2018</u>
Salaries, benefits and honoraria	\$ 45,522,454	\$ 43,898,907
Travel and training	1,358,636	1,180,199
Program supplies	11,133,419	9,419,578
Equipment repairs/lease and small equipment purchases	2,296,406	1,978,411
Professional fees	4,376,387	3,611,874
Non-Insured Health Benefits	9,849,306	9,435,930
Office	293,983	1,005,142
Facility costs	3,079,295	3,406,601
Student tuition and allowances	7,311,673	5,685,785
Community support	4,044,352	4,531,604
Minor capital	<u>4,072,193</u>	<u>3,689,212</u>
	<u>\$ 93,338,104</u>	<u>\$ 87,843,243</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

24. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Mohawk Council of Akwesasne.

25. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES

Akwesasne Harbour Development Corporation

The Mohawk Council of Akwesasne has an investment in a wholly owned corporation, the Akwesasne Harbour Development Corporation ("AHDC"). This company in turn holds a 50% co-ownership interest in the Cornwall port facilities with the Cornwall Harbour Development Corporation ("CHDC")

	Investment Cost Beginning of Year	Loans / Advances	Share of Earnings	Cash Distributions	Total Investment
AHDC	\$ <u>303,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>303,000</u>

Summary information for this corporation, accounted for using the modified equity method for the respective year-end, is as follows:

	<u>2019</u>	<u>2018</u>
Financial Assets	\$ -	\$ -
Financial Liabilities	<u>-</u>	<u>-</u>
Net Financial Assets	-	-
Non-Financial Assets		
Tangible Capital Assets	<u>303,000</u>	<u>303,000</u>
Accumulated Surplus	<u>\$ -</u>	<u>\$ -</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2019

26. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES (continued)

Cornwall-Akwesasne Harbour Partnership

The Mohawk Council of Akwesasne has a 50% partnership interest in the Cornwall-Akwesasne Harbour Partnership. The purpose of this partnership is to operate and eventually develop and remediate the port lands in question in partnership with the City of Cornwall.

Transport Canada, as part of the transfer, has entered into a contribution agreement with the port operator to provide a sum of \$5.3M to use towards eligible expenditures during the terms of the funding agreement which will terminate in 2026.

	Investment Cost Beginning of Year	Loans / Advances	Share of Earnings	Cash Distributions	Total Investment
Partnership Interest	\$ <u>92,381</u>	<u>-</u>	<u>95,281</u>	<u>-</u>	\$ <u>187,662</u>

Summary information for this partnership, accounted for using the modified equity method for the respective year-end, is as follows:

	<u>2019</u>	<u>2018</u>
Financial Assets		
Cash	\$ 187,662	\$ 92,381
Restricted cash	<u>2,621,679</u>	<u>2,649,483</u>
	2,809,341	2,741,864
Financial Liabilities		
Deferred revenue	<u>2,621,679</u>	<u>2,649,483</u>
Net Financial Assets	187,662	92,381
Non-Financial Assets	<u>-</u>	<u>-</u>
Accumulated Surplus	<u>\$ 187,662</u>	<u>\$ 92,381</u>
 Total revenue	 \$ 123,086	 \$ 106,127
Total expenditure	<u>27,805</u>	<u>13,746</u>
Comprehensive Income	<u>\$ 95,281</u>	<u>\$ 92,381</u>

Total Investment in Government Business Entities

	<u>2019</u>	<u>2018</u>
AHDC	\$ 303,000	\$ 303,000
Harbour Partnership	<u>187,662</u>	<u>92,381</u>
	<u>\$ 490,662</u>	<u>\$ 395,381</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 1 - CONSOLIDATED REPORT ON MOVEABLE ASSET RESERVE (MAR) (unaudited)
YEAR ENDED MARCH 31, 2019

Health Transfer Services Agreement

	<u>MAR</u>	<u>Restricted For Health Programs</u>	<u>Total</u>
Balance at beginning of year	\$ 515,655	\$ 1,891,038	\$ 2,406,693
Add: Amount provided in Agreement for MAR	18,791	-	18,791
Add: Additional amount for MAR	-	100,000	100,000
Less: Reserve applied to health operations	<u>-</u>	<u>(1,768,256)</u>	<u>(1,768,256)</u>
	<u><u>\$ 534,446</u></u>	<u><u>\$ 222,782</u></u>	<u><u>\$ 757,228</u></u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 2 - CONSOLIDATED REPORT ON HEALTH EXPENSES (unaudited)
YEAR ENDED MARCH 31, 2019

Health Funding Contribution Agreement

	<u>2019</u>	<u>2018</u>
Funds available		
Funds deferred in previous year - Block Funding	\$ 1,759,644	\$ 863,071
Funds from Health Services Funding Agreement - Block Funding	23,890,222	18,710,992
Funds deferred to future years - Block Funding	(7,868,257)	(1,759,644)
Funds from Health Services Funding Agreement - Set Funding	1,791,290	1,141,512
Funds repayable to Health Canada - Set Funding	-	-
Funds allocated to MAR	(18,791)	(18,791)
Funds allocated to additional MAR	(100,000)	(81,640)
Funds due from Health Canada as of March 31, 2019	-	-
 Funds from MAR ANIHB Reserve applied	 -	 -
	<u>19,454,108</u>	<u>18,855,500</u>
 Expenses - Health Agreement - Block Funding Programs		
Aboriginal Headstart	508,977	507,177
Canada Prenatal Nutrition	99,227	81,247
Maternal Child Health	217,240	126,597
Fetal Alcohol Spectrum Disorder	42,014	77,042
Mental Health Brighter Futures	258,962	302,886
Building Healthy Communities-Crisis Management	449,216	483,410
NNADAP	201,412	245,291
National Aboriginal Youth Suicide Prevention Strategy	49,203	58,186
Aboriginal Diabetes Initiatives	154,757	231,764
Community Health Promotions & COHI (CHN/CHR)	511,281	414,883
Environmental Health Officer	203,302	208,924
Health Administration	687,280	746,542
Home and Community Care	1,389,307	815,284
NIHB deficit from 2016-2017 fiscal year	-	935,160
Medical Transportation ANIHB	1,075,211	1,006,552
Pharmacy ANIHB	3,773,830	3,774,447
Medical Supplies and Equipment ANIHB	483,685	439,167
Vision Care ANIHB	369,081	364,417
Dental Care ANIHB	4,890,161	4,385,871
	<u>15,364,146</u>	<u>15,204,847</u>
 Expenses - Health Agreement - Set Funding Programs		
HIV/Aids	-	7,770
Copay ANIHB	484,205	555,374
Home and Community Care Program	33,103	911,227
Healthy Child Development Training	-	17,327
Drinking Water Safety Program	10,000	9,999
Health Service Accreditation	69,392	68,129
Health Consultation & Liaison	106,952	281,499
Jordan's Principle	1,428,015	197,288
Data Collection	38,810	52,689
	<u>2,170,477</u>	<u>2,101,302</u>
 Surplus	 <u>1,919,485</u>	 <u>1,549,351</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 2 - CONSOLIDATED REPORT ON HEALTH EXPENSES (unaudited)
YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Expenditures - other health related		
Tsionkwanonhso:te - Chronic Care facility	959,569	683,792
Iakhisohta - Long-Term Care facility	26,451	99,875
Ambulance	691,868	567,679
Healthy Babies Healthy Children	9,720	3,768
Healthy Living	1,504	4,755
Child Nutrition Program	6	7,872
MOHLTC Health Access Center	20,835	16,515
MOHLTC Community Support Fund	4,552	3,448
Diabetes MOHLTC	206	9,206
Financial Analyst	150,000	150,000
Environmental Health	68,700	68,700
Health Facility Renovations	-	18,360
	<u>1,933,411</u>	<u>1,633,970</u>
Deficit	(13,926)	(84,619)
Ministry of Community and Youth Services	-	74,278
Miscellaneous earned income	<u>13,926</u>	<u>3,514</u>
Total Expenses	<u>19,454,108</u>	<u>18,862,327</u>
Closing Balance	<u>\$ -</u>	<u>\$ (6,827)</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 3 - CONSOLIDATED SCHEDULE OF FEDERAL REVENUE TRUST FUNDS (unaudited)
YEAR ENDED MARCH 31, 2019

Schedule of Federal Revenue Trust Funds**Revenue from land leases**

Paid to Indigineous Service Canada	\$ <u>595,985</u>
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The revenue received has been applied to Council programs and services as follows:

Executive Services	\$ 80,000
Conservation/Compliance	100,000
Roads	100,000
Information Management	100,000
Emergency Measures	50,000
Environment	100,000
Office of Vital Statistics	<u>65,985</u>
Total revenue applied to programs	\$ <u>595,985</u>

Note: In addition to the rental revenues received, interest in the amount of \$63,081 was received in fiscal year ended March 31, 2019. This interest income has been applied to global Council operations and is not disclosed separately on the Statement of Financial Activities.

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 4 - CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS (unaudited)

YEAR ENDED MARCH 31, 2019

Schedule of Government Transfers

	<u>2019</u>	<u>2018</u>
Indigineous Service Canada	\$ 42,439,913	\$ 39,362,061
Human Resources Development Canada	480,238	434,344
Canadian Mortgage and Housing Corporation	458,841	397,899
Health Canada	19,572,899	18,955,932
Canada Border Services Agency	38,900	-
Emergency Preparedness Canada	4,098,753	3,895,730
Other Federal	<u>793,251</u>	<u>1,308,945</u>
	67,882,795	64,354,911
Province of Ontario	19,036,831	16,640,253
Province of Quebec	2,045,994	1,806,770
Other contributions	<u>1,705,015</u>	<u>2,255,412</u>
	<u>\$ 90,670,635</u>	<u>\$ 85,057,346</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 5 - CONSOLIDATED SCHEDULE OF FUNDING RECONCILIATION ISC (unaudited)

YEAR ENDED MARCH 31, 2019

Schedule of Funding Reconciliation ISC

	<u>2019</u>	<u>2018</u>
ISC Revenue per Financial Statements	\$ 42,439,913	\$ 39,362,061
Less: prior year deferred revenue	(7,852,623)	(3,870,204)
Less: prior year repayable revenue	(467,455)	(820,287)
Add: current year deferred revenue	11,019,180	7,852,623
Add: current year repayable revenue	<u>467,455</u>	<u>467,455</u>
Adjusted ISC funding received	45,606,470	42,991,648
ISC revenue per funding confirmation	<u>45,651,378</u>	<u>43,369,475</u>
Difference	\$ <u>(44,908)</u>	\$ <u>(377,827)</u>
Explanation of differences:		
Write off of old repayables	\$ <u>(44,908)</u>	\$ <u>(377,827)</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 6 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 2019 (unaudited)
YEAR ENDED MARCH 31, 2019

	Akwesasne Mohawk Board of Education 2019	Akwesasne Mohawk Police 2019	Department of Community & Social Services 2019	Mohawk Government 2019	Health 2019	Housing 2019	Justice 2019	Department of Technical Services 2019	Executive Services - Core 2019	Executive Services - Non Core 2019	Integrated Resource Management 2019	Economic Development 2019	Consolidated Totals 2019
Revenues													
Federal Government	\$ 17,415,475	\$ 4,098,753	\$ 8,864,282	\$ 994,219	\$ 20,564,425	\$ 1,309,677	\$ 63,725	\$ 7,814,277	\$ 3,950,428	\$ 815,525	\$ 171,432	\$ 772,575	\$ 66,834,792
Provincial Government	1,689,607	2,963,378	5,808,895	361,482	8,223,627	-	678,619	209,126	416,820	168,325	19,985	564,837	21,104,499
Other Revenues	622,124	17,600	722,425	2,808,840	1,157,713	1,077,205	152,752	4,195,785	10,630,494	229,637	316,061	370,683	22,301,319
Sub-total	19,727,206	7,079,729	15,395,402	4,164,541	29,945,765	2,386,882	895,096	12,219,188	14,997,742	1,213,487	507,478	1,708,095	110,240,610
Inter-Segment Eliminations	-	-	-	-	-	-	-	(3,670,667)	(3,336,105)	-	-	-	(7,006,772)
Total Revenues	19,727,206	7,079,729	15,395,402	4,164,541	29,945,765	2,386,882	895,096	8,548,521	11,661,637	1,213,487	507,478	1,708,095	103,233,838
Expenses													
Salaries & Benefits	8,635,980	5,078,823	6,078,962	1,146,533	12,128,431	677,294	1,155,446	3,592,503	4,216,551	931,538	902,403	434,120	44,978,584
Operating Costs	11,290,374	1,029,535	6,080,395	3,481,920	15,530,311	(640,101)	339,025	4,460,677	2,136,048	228,207	117,748	980,754	45,034,894
Rent	245,570	225,030	794,575	108,930	1,019,041	28,623	60,979	137,257	199,321	37,506	50,011	518,810	3,425,653
Amortization Expenses	172,220	200,296	90,553	3,949	241,634	346,012	3,463	2,520,509	171,377	-	-	-	3,750,013
Other Expenses	354,859	236,441	433,545	115,091	656,066	103,828	111,878	729,125	250,662	32,654	72,017	59,567	3,155,731
Sub-total	20,699,003	6,770,125	13,478,030	4,856,422	29,575,483	515,656	1,670,791	11,440,071	6,973,959	1,229,905	1,142,179	1,993,252	100,344,875
Inter-Segment Eliminations	-	-	-	-	-	-	-	(3,670,667)	(3,336,105)	-	-	-	(7,006,772)
Total Expenses	20,699,003	6,770,125	13,478,030	4,856,422	29,575,483	515,656	1,670,791	7,769,404	3,637,854	1,229,905	1,142,179	1,993,252	93,338,104
Annual Surplus/(Deficit) before Transfer	\$ (971,797)	\$ 309,604	\$ 1,917,372	\$ (691,881)	\$ 370,282	\$ 1,871,226	\$ (775,695)	\$ 779,117	\$ 8,023,783	\$ (16,418)	\$ (634,701)	\$ (285,157)	\$ 9,895,734

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MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 7 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 2018 (unaudited)
YEAR ENDED MARCH 31, 2019

	Akwesasne Mohawk Board of Education 2018	Akwesasne Mohawk Police 2018	Department of Community & Social Services 2018	Mohawk Government 2018	Health 2018	Housing 2018	Justice 2018	Department of Technical Services 2018	Executive Services - Core 2018	Executive Services - Non Core 2018	Integrated Resource Management 2018	Economic Development 2018	Consolidated Totals 2018
Revenues													
Federal Government	\$ 15,809,529	\$ 3,923,670	\$ 9,386,449	\$ 826,813	\$ 19,769,638	\$ 2,117,093	\$ 282,825	\$ 5,107,165	\$ 5,266,725	\$ 901,806	\$ 399,756	\$ 965,439	\$ 64,756,908
Provincial Government	1,626,980	2,632,250	4,827,967	1,065,373	7,601,523	150,000	577,873	417,062	3,221,118	264,539	545,516	56,095	22,986,296
Other Revenues	<u>662,642</u>	<u>46,126</u>	<u>795,680</u>	<u>2,015,281</u>	<u>1,515,111</u>	<u>865,384</u>	<u>118,808</u>	<u>3,978,186</u>	<u>4,306,985</u>	<u>70,088</u>	<u>387,520</u>	<u>351,153</u>	<u>15,112,964</u>
Sub-total	18,099,151	6,602,046	15,010,096	3,907,467	28,886,272	3,132,477	979,506	9,502,413	12,794,828	1,236,433	1,332,792	1,372,687	102,856,168
Inter-Segment Eliminations	-	-	-	-	-	-	-	<u>(3,645,420)</u>	<u>(3,228,382)</u>	-	-	-	<u>(6,873,802)</u>
Total Revenues	<u>18,099,151</u>	<u>6,602,046</u>	<u>15,010,096</u>	<u>3,907,467</u>	<u>28,886,272</u>	<u>3,132,477</u>	<u>979,506</u>	<u>5,856,993</u>	<u>9,566,446</u>	<u>1,236,433</u>	<u>1,332,792</u>	<u>1,372,687</u>	<u>95,982,366</u>
Expenses													
Salaries & Benefits	8,759,880	4,664,461	5,826,254	889,291	11,835,321	606,063	1,001,838	3,648,161	4,134,924	1,233,638	642,158	559,091	43,801,085
Operating Costs	8,065,438	1,224,722	6,716,559	3,005,361	13,968,561	883,649	477,828	3,791,177	1,890,834	78,142	300,146	346,823	40,747,240
Rent	400,030	218,520	710,612	109,175	1,031,507	28,623	68,489	129,918	183,500	37,506	53,839	519,185	3,490,904
Amortization Expenses	160,066	155,237	93,551	4,888	184,883	326,181	3,266	2,530,250	142,651	-	-	-	3,600,973
Other Expenses	<u>401,462</u>	<u>182,665</u>	<u>387,672</u>	<u>103,512</u>	<u>648,707</u>	<u>108,664</u>	<u>118,389</u>	<u>680,938</u>	<u>195,811</u>	<u>33,498</u>	<u>110,279</u>	<u>105,249</u>	<u>3,076,843</u>
Sub-total	17,786,876	6,445,605	13,734,649	4,112,227	27,668,979	1,953,180	1,669,810	10,780,444	6,547,719	1,380,785	1,106,422	1,530,349	94,717,045
Inter-Segment Eliminations	-	-	-	-	-	-	-	<u>(3,645,420)</u>	<u>(3,228,382)</u>	-	-	-	<u>(6,873,802)</u>
Total Expenses	<u>17,786,876</u>	<u>6,445,605</u>	<u>13,734,649</u>	<u>4,112,227</u>	<u>27,668,979</u>	<u>1,953,180</u>	<u>1,669,810</u>	<u>7,135,024</u>	<u>3,319,337</u>	<u>1,380,785</u>	<u>1,106,422</u>	<u>1,530,349</u>	<u>87,843,243</u>
Annual Surplus/(Deficit) before other item	<u>\$ 312,275</u>	<u>\$ 156,441</u>	<u>\$ 1,275,447</u>	<u>\$ (204,760)</u>	<u>\$ 1,217,293</u>	<u>\$ 1,179,297</u>	<u>\$ (690,304)</u>	<u>\$ (1,278,031)</u>	<u>\$ 6,247,109</u>	<u>\$ (144,352)</u>	<u>\$ 226,370</u>	<u>\$ (157,662)</u>	<u>\$ 8,139,123</u>

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MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 8 - CONSOLIDATED STATEMENT OF CHANGES IN ACCUMULATED SURPLUS (unaudited)
YEAR ENDED MARCH 31, 2019

	Investment in property, plant and equipment	Investment in housing and housing construction loans	Internally restricted				Unrestricted accumulated operating surplus	2019	2018
			ISC	Casino Rama (OLG)	Community Trust	Other			
Balance at beginning of year	\$ 101,857,089	\$ 5,553,161	\$ 4,984,589	\$ 24,200,450	\$ 2,482,175	\$ 12,635,823	\$ 1,096,327	\$ 152,809,620	\$ 147,138,116
Annual surplus (deficit) before transfers - allocated	8,542,886	1,723,584	2,254,336	3,916,632	77,818	1,700,676	(8,320,198)	9,895,734	8,139,123
Investment in Government Business Entity	-	-	-	-	-	-	95,281	95,281	92,381
Transfer to Mohawks of Akwesasne Community Settlement Trust	-	-	-	-	(2,560,000)	-	-	(2,560,000)	(2,560,000)
Inter-fund transfer to (from) unrestricted	(3,882,917)	(844,575)	(1,069,472)	(263,377)	7	(2,369,542)	8,429,876	-	-
Net change in accumulated surplus for the year	4,659,969	879,009	1,184,864	3,653,255	(2,482,175)	(668,866)	204,959	7,431,015	5,671,504
Balance at end of year	\$ 106,517,058	\$ 6,432,170	\$ 6,169,453	\$ 27,853,705	\$ -	\$ 11,966,957	\$ 1,301,286	\$ 160,240,635	\$ 152,809,620